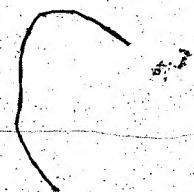


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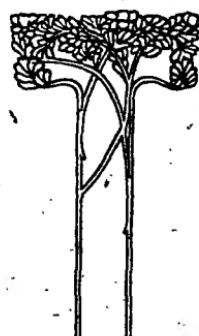
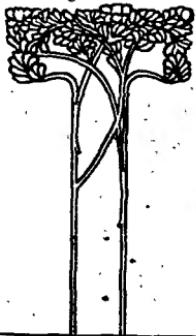
Penniac Reef Gold Mines, ltd.
Manitoba's first gold mine



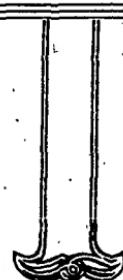
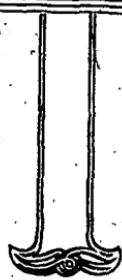
Gold ~~1912~~

1861-1912

[Penniac Reef Gold Mines Ltd.]



Manitoba's First..... Gold Mine

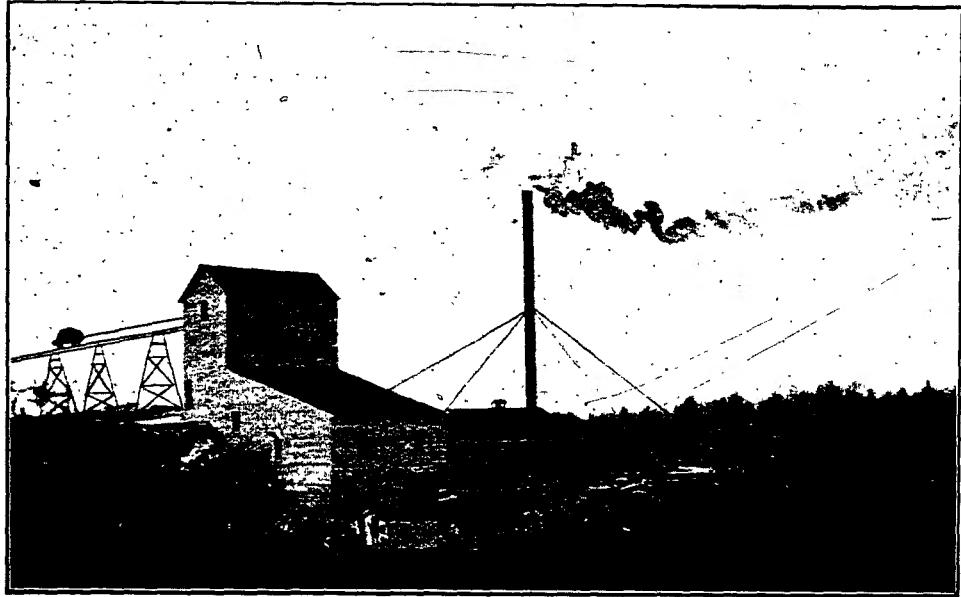


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C₃P₄



The Mill in Operation



Part of the Camp with Mill on Right

The Penniac Reef Gold Mines, Ltd.

(Non-Personal Liability).

Capital, 3,000,000 Shares at \$1.00; Par Value, \$3,000,000.00

Incorporated under "The Manitoba Joint Stock Companies Act."

DIRECTORS

E. F. Hutchings, Esq., President

President, The Great West Saddlery Co.; Director, The Imperial Canadian Trust Co.; Director, The Canada National Fire Insurance Co.; Chairman, Sinking Fund Trustees, City of Winnipeg.

W. R. Milton, Esq., Vice-President,

Alderman, City of Winnipeg; Wholesale Baker and Confectioner; President, Mainer Electric Co.; President, Electric Motor Sales Co.; President, Cameron Manufacturing Co.; Director, Security National Fire Insurance Co.

J. H. Hicks, Esq., Treasurer

Director, Canadian Syndicate Investments, Ltd.

A. L. Bond, Esq.

(of Berry and Bond), Alderman City of Winnipeg

H. B. Stiles, Esq.

President Stiles and Humphries, Director Security National Insurance Company.

G. S. Van Hallen, Esq.

Barrister

G. D. McKay, Esq.

Manufacturers' Agent

W. J. Rimmington, Esq.

Manager, Gold Medal Manufacturing Co.

H. H. Bryant, Esq.

Photographer

Head Office

449 MAIN STREET, WINNIPEG

Solicitor

W. J. Donovan

Auditor

R. H. Hayward

Bankers

Bank of British
North America

INTRODUCTORY

Under the old, haphazard, "trust to luck" methods of mining, prospecting for high-grade ore, etc., the industry of gold mining, if it could be so termed, was not even speculative; it was a gamble pure and simple.

To-day, commercial ore extraction is on a firm business basis, for it has kept pace with the development of science and modern industrial economy.

Efficient equipment and modern machinery are now making valuable lode ore that was formerly worthless.

Men of the type of John Hays Hamond, J. V. R. Bradley, H. B. Clifford, E. A. Hazzen and Newton W. Emmens, in appraising a mineral property do not ask, "What do you think, wish, hope or estimate that you have?" but demand positive proof to be "shown":

FIRST, as to the quantity of the ore, the amount actually in sight, the ore body really uncovered.

SECOND, the quality of the ore, not simply test assays, but what the mill produces.

THIRD, are water, timber, labor, transportation and market available?

FOURTH, after all expenses of equipment, production, marketing and maintenance have been met, is there a sound margin left for profit and surplus account?

So far as the property of the Penniac Reef Company is concerned, all the above questions are answered in a manner eminently satisfactory to the investor, in the reports of Professor Wallace and W. H. Jeffery, E.M., submitted in this prospectus.

Ore production—mining—conducted on these careful, conservative lines is not in any sense a gamble, nor is it even speculation; it is sound business and as free from risks as any business enterprise. Such is our proposition, which we herewith present for your consideration. It is to men of logical minds, CLEAR THINKERS, that we want to present the facts and possibilities of the

PENNIAC REEF GOLD MINES, LIMITED.

The Penniac Reef Gold Mines, Ltd., was incorporated in April, 1911, and at once started to develop its property. Buildings were erected, including a mill with a capacity of 100 tons per day when fully equipped with machinery. An immense ore body was stripped on the Moore Claim, on which

INTRODUCTORY (Continued)

also a shaft 80 feet deep has been sunk. A number of test pits were also sunk in different parts of the property to ascertain the values existing throughout the ore body. An agreement was made with Mr. Geo. R. Thurber to install the "Thurber Process" to make a test run of the ore taken from the shaft. Seventy tons of unselected ore were put through the mill with good results, and an average of over ten dollars per ton was shown. This was good enough for the directors, as they realized the enormous profits to be made if the mine were worked on a large scale.

After going into the problem of treating the ore in the most economical way, it was decided to adopt the GRAVITY STAMP SYSTEM. A ten-stamp mill, with crushers, grinders, rollers, etc., etc., with a capacity of fifty tons per day will be installed as soon as possible, and the plant increased from time to time.

This is Manitoba's first gold mine, and it will be noticed that every officer and director is a resident of Winnipeg, and every one of them is using his energy and ability towards making the mine a successful and profitable venture for the shareholders.

The property has been examined by a number of prominent mining engineers, and all are unanimous in pronouncing it one of the largest bodies of pay ore in existence.

Read carefully the geological report made by Professor Wallace of Manitoba University, also report of W. H. Jeffery, Mining Engineer, of Toronto.



GEOLOGICAL REPORT ON THE PENNIAC REEF GOLD MINES AT STAR LAKE, MANITOBA

By ROBT. C. WALLACE, M.A., Ph.D., D.Sc.

The reef in which the claims are staked is in the main a sheared Keewatin conglomerate striking N. 35-45 E., and dipping usually northwest at angles 60-20, but dips are found occasionally as low as 35-40. The strike of these Keewatin rocks, which is practically east and west on the west side of Hawk Lake, swings towards the south in the vicinity of Star Lake, and the direction of the southwest arm of that lake is determined by the strike. The matrix of the rock consists of hornblendic and chloritic material, while the pebbles are quartzites and altered felsites. The formation is doubtless related to the agglomerates which surround Clearwater Lake further east. This rock is interbedded with fine-grained greywackes and altered basalts, impregnated with siliceous material. About 100 yards across the strike southwestwards from the shaft (No. 8 in plan), contact with the Laurentian is found. The Laurentian is here a medium-grained greyish biotite hornblende granite, evenly foliated. It becomes much coarser in texture away from contact, and contains in its coarser varieties only sparing quantities of felspar. Evidence of absorption of Keewatin by the granite may be seen at considerable distances away from contact, numerous inclusions of Keewatin being found in the granite.

The quartz veins which are found in the reef follow fairly closely the strike of the rock, though small stringers are found cutting across the strike. The walls of the veins frequently lack definition, and extensive impregnation of the country rock has taken place. These veins are offshoots, either from the Laurentian foliated granite, or from a younger intrusion underneath the Keewatin. The evidence at the shaft would point to a connection with a younger granite intrusion cutting underneath into the schists, as the fairly massive hornblende granite which here appears itself shows definite mineralization. The gold is associated with the following minerals in small quantities: Pyrrhotite, pyrite, mispickel, chalcopyrite. The surface indications give evidence of extensive mineralization, and the assays which the company has obtained of the country rock show that the silicified diorite has been widely impregnated.

In order to get a clearer indication of the disposition of the veins in the neighborhood of the shaft and crosscut (No. 6), and before deciding to work the whole property in this neighborhood, irrespective of rock character, it would be well to sink on pit No. 10, thence to drift to shaft No. 8, and thence along direction of opencut No. 6. From surface indications it would seem that the ore bodies may widen at greater

depths. Such an investigation, while providing sufficient ore, would decide whether it would be more profitable to follow out the veins, presumably in directions parallel to the strike, or to work the whole property as an open mine. The vein striking southwest from the crosscut No. 6 near the northwest corner of that cut, should also be followed and tested at greater depths.

It is to be hoped that the material now at the surface, from which good values have been obtained by assay, may very soon be run through the mill. When the mine is a producer, the further development work which has been indicated will not interfere with operations, and will serve as a guide in following up the best values in what the present stage of development indicates to be a very promising property, and in dealing with the more highly pyritized veins in the claims adjoining towards the southwest.

(Signed) ROBT. C. WALLACE, M.A., Ph.D., D.Sc.

**W. H. JEFFERY, MINING ENGINEER OF TORONTO,
MAKES THE FOLLOWING REPORT ON THE
PENNIAC REEF GOLD MINES**

To whom it may concern:—

I, W. H. Jeffery, a duly authorized mining engineer and disinterested party, do hereby make and submit the following "report" made from a personal examination of a certain mining property known to me as the Penniac Reef Gold Mines.

Geography

This property is situated in the eastern part of the province of Manitoba, close to the western boundary line of Ontario and on the shore of Star Lake, south of west Hawk Lake, and is reached by water or land route from Ingolf station, on the main line of the Canadian Pacific Railway, seven miles in a southwesterly direction.

General Description of the Property

This group of claims embraces an area of one hundred and eighty-six acres of lode claim locations, consisting of three full claims and a fractional claim. The names of the location are the "Camp," "Denmark," "Moore," and "Naaswaak" fraction. The map will illustrate this more fully. The improvements represented to me as belonging to the property consist of a small mill or reduction works (a secret process), bunk-house, messhouse, manager's quarters, stable, assay office, blacksmith shop, engine and boiler house and hoist house.

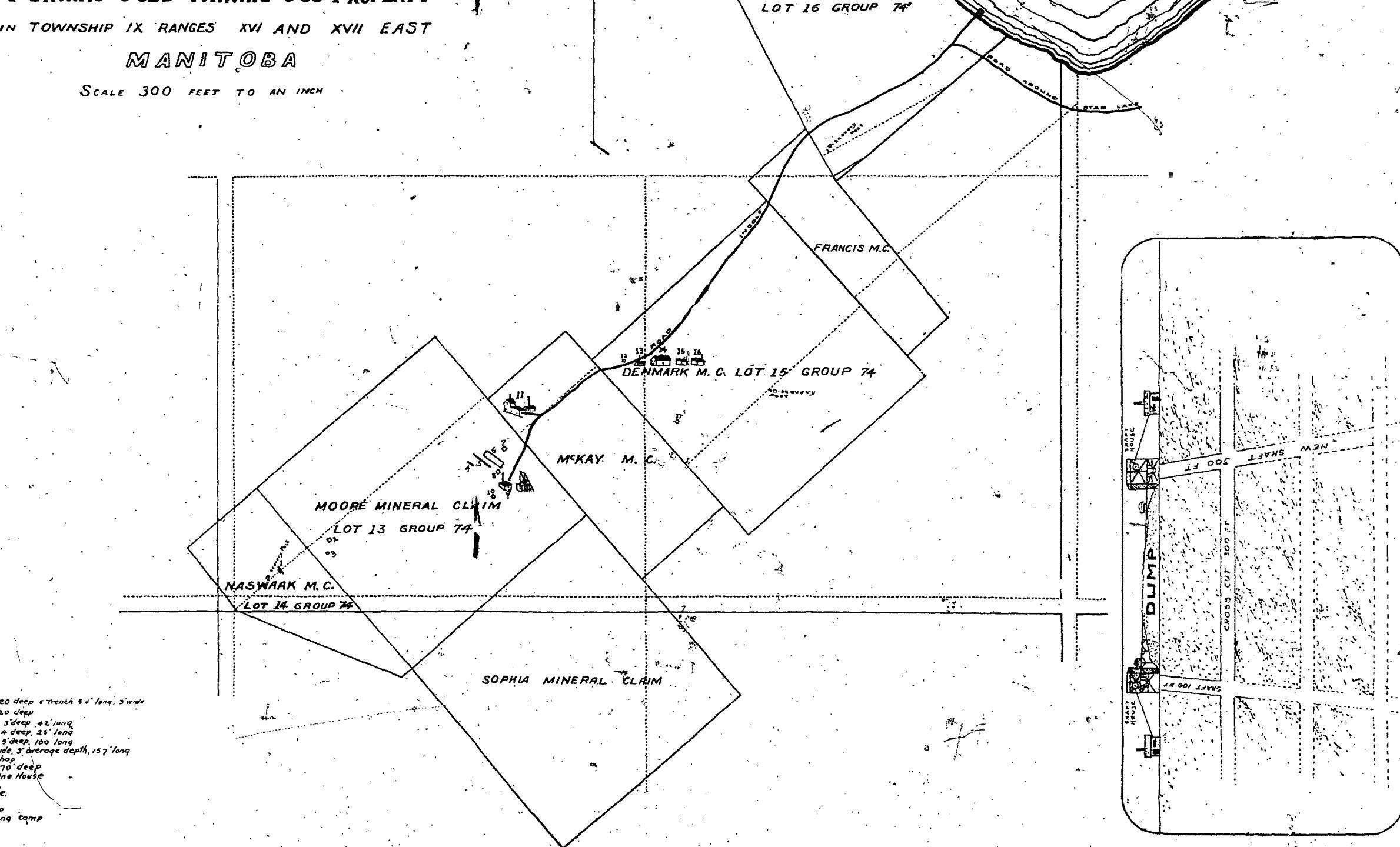


**PLAN OF
PENNIAC GOLD MINING CO'S PROPERTY**

IN TOWNSHIP IX RANGES XVI AND XVII EAST

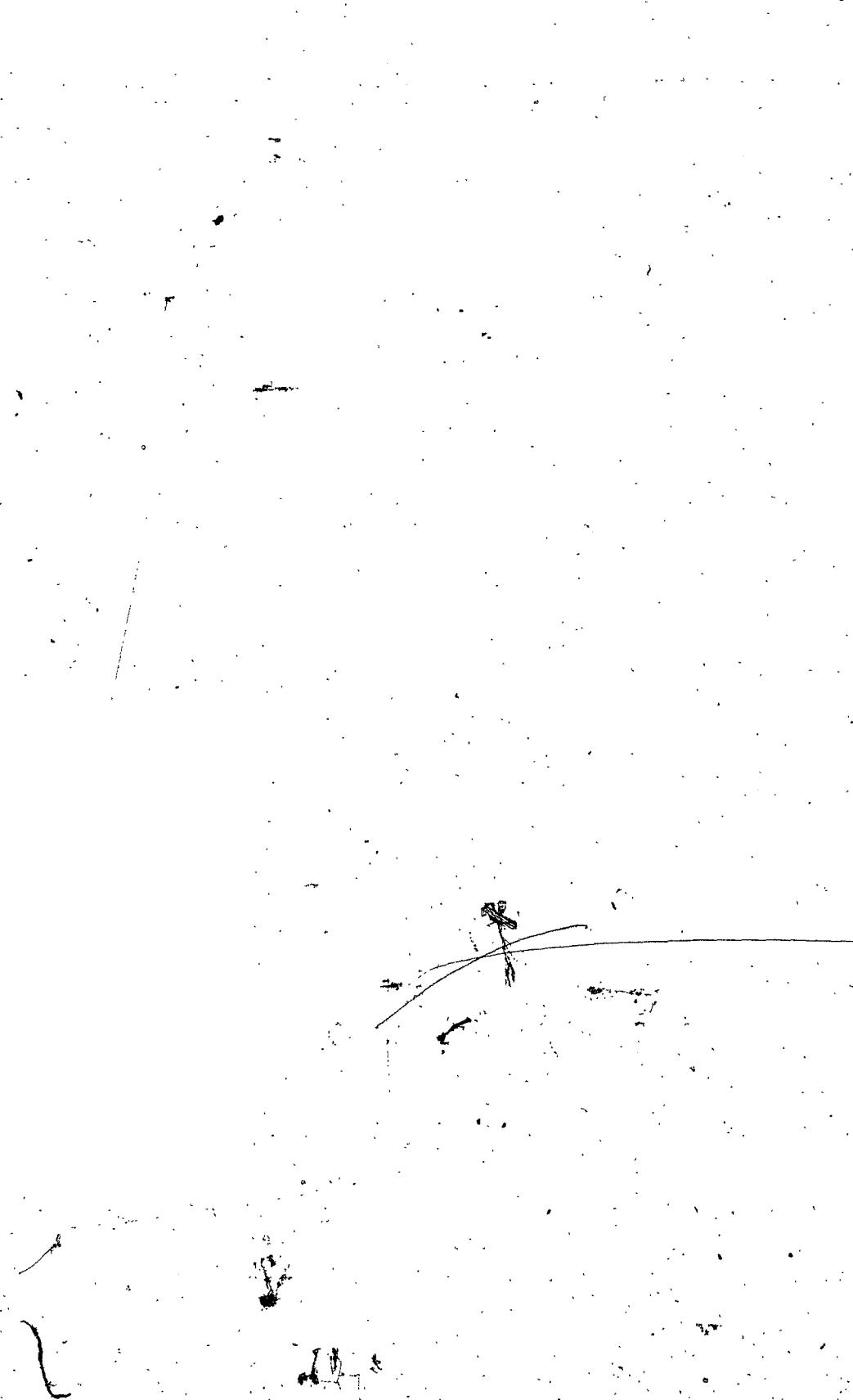
MANITOBA

SCALE 300 FEET TO AN INCH



Note: The above is a sketch of the underground development the company intend to rigidly prosecute which consists of two single compartment shafts with crosscuts and drifts at each level the company intend to increase the ten ton plant to 300 tons a day.

ETCHING OF THE COMPANY'S PROPERTY, SHOWING THE LOCATION OF BUILDINGS, DEVELOPMENT WORK, ALSO PROPOSED FUTURE DEVELOPMENTS



There is a sufficiency of timber adjacent to the property suitable for mining, fuel and building purposes. There is a 40-foot fall of water between Star Lake and West Hawk Lake which would furnish power, and all the water necessary for a large plant run by steam.

Development

The outcrop of two well defined lodes (as shown on map) are vividly traceable throughout the entire length of the claims. The main reef or lode has been cross cut by trenches in many places on the surface and an incline shaft is sunk in the lode to a depth of 65 feet, showing good values in gold the whole way down. The lode apparently is 200 feet wide, and consists of a number of parallel veins of quartz and siliceous material, all carrying gold in paying quantities, striking N., 35-45 E. and dipping northwest. These veins vary in width, and some of them carry higher gold values than others, but as a whole, that is, to mine and mill the 200 feet, it will pay handsomely on a larger scale, say, from 200 to 500 tons per day. But I would advise for the present to sink your shaft to 100 feet and cross cut the whole mass from wall to wall, locate the bonanzas, and mine and mill them, leaving the lower grade veins standing in the mine. They are an asset and can be mined when your mill justifies it, and will for the time being hold up your ground, and save you a large outlay for timbering. You have the largest bodies of pay ore I ever saw during my forty-one years of mining, and ground that can be broken cheaply and a free milling ore. It is only a question of fine grinding, with ten stamps, 1,050 lbs. each, grinding to, say, 18 or 20 mesh and a Hardinge's re-grinder. You could handle 80 tons of ore per day, 24 hours. Any good mill man will undertake to do this. A small cyanide plant would help you out if at any time you found that you were not making full saving by amalgamation.

The geology of your district and especially your ore deposits has been gone into thoroughly by Dr. Robert C. Wallace, of the Manitoba University, so that it will not be necessary for me to say anything more than that the Doctor has proven that you have an immense mineral zone traversing your entire property, and the values are proven by my sampling and assays, together with the sampling and assay results of your own, and other sampling that I positively know of.

In panning across the trench on the surface of the "Reef," I never failed to get colors, which certainly surprised me, owing to the immense width of the "Reef."

You will please note the results of my sampling on the Denmark Claim. I took the sampling in three sections:—
No. 6, 30 feet wide gold, \$3.50; No. 7, 18 feet wide gold trace;
No. 8, 45 feet wide gold, \$7.10.

I moyled a cut clean across these distances, taking everything in the vein or lode. The results are most flattering. I will advise you to run an open cut, say, 4 to 6 feet deep, right across the "Denmark" lode. This can be done by hand steel, and I think the results of this work will prove very satisfactory. You will get below the surface crust and into the ore proper, and measure up the pay ores.

It is not a question of ore with your property, it is a treatment, and on a paying scale.

The facilities for cheap mining and reduction cannot be surpassed: close to transportation, a good water power, close to Manitoba coal fields, lakes of water at your door, everything to reduce cost.

I would advise erecting a 5-drill compressor at once. It can be attached to your present boiler house and the air piped to your shaft, also to the "Denmark." Your object should be to get depth and crosscut your "Reef," and determine your pay shoots and drift on them.

I walked over your contact or mineral zone for practically six miles, and the gold-bearing portions of this immense zone are surprising for their lengths and widths of pay rock. Frequently large ore bodies occurring within a definite zone are apparently independent of each other, being found in the form of lenses. These may appear in a succession of lens-shaped bodies following each other along a common strike, but more frequently they overlap at the ends, though they may be separated by hard and barren rocks many feet in thickness. The whole zone indicates a common origin, and what is found to be the condition horizontally is often found to be repeated in depth.

With good management and practical and economical mining and milling you certainly have a large paying proposition and a good investment, and I am led to believe from the facts herein given that further explorations would result in the discovery of important ore bodies such as would place your property in the rank with many of the big paying mines on the Continent of America.

Assays

No. 1 Dump (near shafthouse), \$11.60.

No. 2 Shaft, 5 feet ore, \$10.50.

No. 3, below shaft in open cut, 15 feet long, \$3.50.

No. 4, 40 feet, south of ent, 12 feet wide, \$5.80.

No. 5, 20 feet south No. 4, 10 feet wide, \$4.60.

(Signed) W. H. JEFFERY,
Mining Engineer.

Toronto, Ont., November 25th, 1912.

A GOOD AND SOUND INVESTMENT

This prospectus may mean hundreds of dollars to some and thousands of dollars to others.

Nearly every Manitoban knows that sooner or later the mineral resources of this province will be developed, and, the sooner it is demonstrated that Manitoba has the goods, the quicker the province will benefit from this source.

This is Manitoba's first gold mine, and we want the co-operation of every man who is desirous of seeing Manitoba flourish and become what it should be—the greatest province in the Dominion of Canada.

Many of Manitoba's most prominent men, realizing the great possibilities of this industry, have readily become our largest and most enthusiastic shareholders, after having satisfied themselves, by thorough investigation, of the merits of the Penniac Company's property.

With a view to reducing the cost of transportation, etc., the Manitoba Government has been requested to construct a highway from the railroad track to Star Lake, and an engineer has already been sent to look over the route.

As such a road will materially assist in opening up the large mineralized belt in this section of Manitoba, it is confidently believed that the Government will start construction at an early date.

Now is the time to associate yourself with us, and help us to build up what will in the near future be one of the best paying gold mines in the Dominion. You can do this by filling in and mailing to us application form at the back of this prospectus.





President
E. F. HUTCHINGS

Vice-President
ALD. W. R. MILTON

Treasurer
J. H. HICKS

The Penniac Reef Gold Mines, Ltd.

(Non-Personal Liability)

Telephone
Main 1142

Mines at Star Lake,
Manitoba

Authorized Capital \$3,000,000.00

Head Office:
433-435 SOMERSET BLOCK, WINNIPEG
After April 1st, 1913
449 MAIN STREET, WINNIPEG

APPLICATION FOR SHARES

To the Directors of the Penniac Reef Gold Mines, Ltd.
(Non-Personal Liability Stock)

I, the undersigned, do hereby apply for Shares, Par Value of \$1.00 each, in the above-named Company, for which I agree to pay Seventy-five cents per Share, total \$, and request you to allot me the said number of Shares, and hereby agree to accept the same, or any smaller number that may be allotted to me, and I hand you herewith \$ *as payment in full for said *as part payment Shares, the balance to be paid in equal monthly payments of \$ each, payable on the day of each month until the whole is fully paid up, and I hereby authorize you to register me as a holder of the said Shares in the said Company, the same to be non-assessable.

Dated at this
day of A.D., 1913.

Signature.....

Street

City or Town

Province

Witness

TERMS OF PAYMENT

Cash in full with application 10% discount.

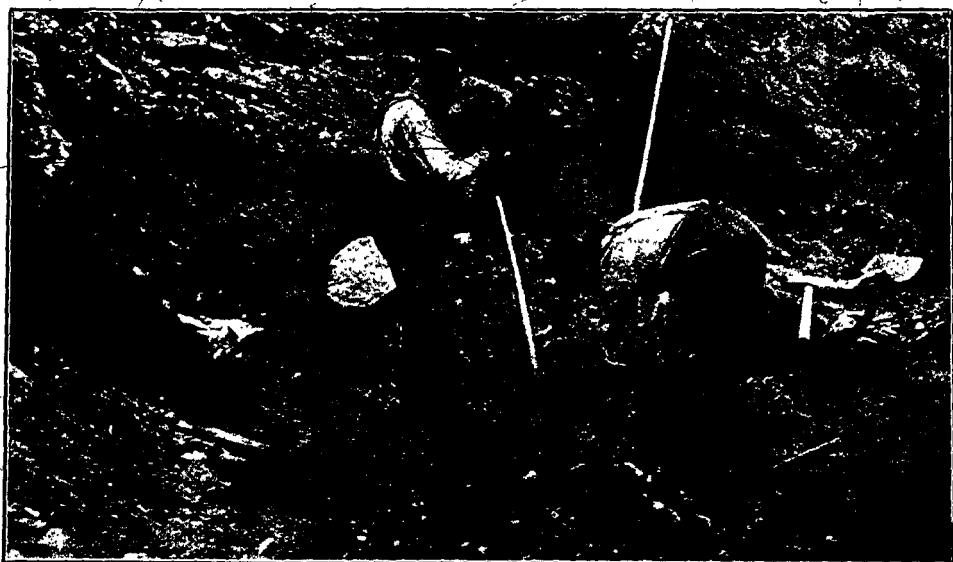
Less than 1,000 Shares, 20% with application and 20% each following month until paid.

1,000 Shares or over, 10% with application and 10% each following month until paid.

*Note—Cross out writing which does not apply.



Showing No. 1 Shaft; also Trench across the Ore Body



The Start on No. 2 Shaft

